

Wednesday October 12, 1988

Part VII

Congressional Budget Office

Final Sequestration Report for Fiscal Year 1989 to Office of Management and Budget and Congress; Transmittal

CONGRESSIONAL BUDGET OFFICE

Final Sequestration Report to Office of Management and Budget and Congress; Transmittal

AGENCY: Congressional Budget Office. **ACTION:** Report transmittal.

SUMMARY: This notice transmits the final sequestration report for Fiscal Year 1989 to the Office of Management and Budget and the Congress in accordance with the procedures of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, Public Law 100–119.

Stanley L. Greigg,

Director, Office of Intergovernmental Relations, Congressional Budget Office.

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FINAL SEQUESTRATION REPORT FOR FISCAL YEAR 1989

A Congressional Budget Office Report to the Congress and the Office of Management and Budget

October 11, 1988

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NOTES

All years referred to in this report are fiscal years, unless otherwise noted.

Details in the text and tables of this report may not add to totals because of rounding.

The Balanced Budget and Emergency Deficit Control Act of 1985 (commonly known as Gramm-Rudman-Hollings) is also referred to in this report more briefly as the Balanced Budget Act. The amendments to this act made by Public Law 100-119, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, are also referred to in this report more briefly as the Reaffirmation Act.

The source for all data in this report is the Congressional Budget Office, unless otherwise noted.



CONGRESSIONAL BUDGET OFFICE U.S. CONGRESS WASHINGTON, DC 20515

October 11, 1988

Honorable James C. Miller III Director Office of Management and Budget Washington, D.C. 20503

Dear Mr. Miller:

I herewith submit to you my Final Sequestration Report for Fiscal Year 1989, as required by Public Law 100-119, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. This report assesses the impact of legislation enacted and regulations made final since my initial sequestration report, transmitted on August 20, 1988.

The Congressional Budget Office estimates that action taken by the Congress and the Administration since August has reduced the 1989 deficit by \$1.2 billion. Under the same economic and technical assumptions used in CBO's initial sequestration report, the 1989 deficit now stands at \$151.8 billion, and exceeds the Balanced Budget Act target by \$15.8 billion.

This report presents the assumptions underlying CBO's deficit estimate, and calculates the amounts and percentages by which various budgetary resources would need to be sequestered to reduce the deficit to the target level under these assumptions.

I would be pleased to provide you with any assistance that you may require in preparing your own final sequestration report.

Sincerely yours,

James L. Blum Acting Director



CONGRESSIONAL BUDGET OFFICE U.S. CONGRESS WASHINGTON, DC 20515

October 11, 1988

Honorable George Bush President of the Senate Washington, D.C. 20510

Dear Mr. President:

I herewith submit to the Congress my Final Sequestration Report for Fiscal Year 1989, as required by Public Law 100-119, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. This report assesses the impact of legislation enacted and regulations made final since my initial sequestration report, transmitted on August 20, 1988.

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This report presents the assumptions underlying CBO's deficit estimate, and calculates the amounts and percentages by which various budgetary resources would need to be sequestered to reduce the deficit to the target level under these assumptions.

I would be pleased to provide the Congress with any assistance it may require in responding to this report, or to the final report by the Director of the Office of Management and Budget to be issued on October 15, 1988.

Sincerely yours,

James L. Blum Acting Director



CONGRESSIONAL BUDGET OFFICE U.S. CONGRESS WASHINGTON, DC 20515

October 11, 1988

Honorable James C. Wright, Jr. Speaker of the House of Representatives Washington, D.C. 20515

Dear Mr. Speaker:

I herewith submit to the Congress my Final Sequestration Report for Fiscal Year 1989, as required by Public Law 100-119, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987. This report assesses the impact of legislation enacted and regulations made final since my initial sequestration report, transmitted on August 20, 1988.

The Congressional Budget Office estimates that action taken by the Congress and the Administration since August has reduced the 1989 deficit by \$1.2 billion. Under the same economic and technical assumptions used in CBO's initial sequestration report, the 1989 deficit now stands at \$151.8 billion, and exceeds the Balanced Budget Act target by \$15.8 billion. An across-the-board reduction of budgetary resources will be triggered if the final estimate of the 1989 deficit made by the Office of Management and Budget exceeds the act's \$136 billion target by more than \$10 billion.

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Sincerely yours,

James L. Blum Acting Director

FINAL SEQUESTRATION REPORT FOR FISCAL YEAR 1989

A CONGRESSIONAL BUDGET OFFICE REPORT TO THE CONGRESS AND THE OFFICE OF MANAGEMENT AND BUDGET

October 11, 1988

INTRODUCTION

On August 20, the Congressional Budget Office (CBO) transmitted its initial sequestration report for fiscal year 1989 to the Office of Management and Budget (OMB) and the Congress. Following the specifications provided by the Balanced Budget Reaffirmation Act, CBO projected a fiscal year 1989 federal budget deficit of \$153.0 billion-\$17.0 billion above the maximum deficit allowed in the act, and \$7.0 billion above the level that would trigger sequestration. CBO now estimates that laws enacted and regulations implemented since its initial report have decreased the fiscal year 1989 deficit to \$151.8 billion, and decreased the excess deficit to \$15.8 billion.

Under the Reaffirmation Act, CBO's role in the sequestration process is strictly advisory; an independent estimate of the projected deficit will be made by the Director of OMB on October 15, 1988, and that estimate will determine the necessity and magnitude of sequestration. OMB's deficit estimate is expected to be within the \$10 billion margin-of-error specified by the act for 1989. If so, sequestration will not be triggered for 1989.

BUDGET BASELINE TOTALS

The CBO budget baseline estimates of total revenues, outlays, and the deficit for fiscal year 1989 are

mates are provided for laws and regulations in effect on January 1, 1988; August 15, 1988; and October 7, 1988.² The economic and technical assumptions used for these budget baseline estimates are identical and are described in CBO's initial sequestration report. The differences between the estimates, therefore, result only from laws enacted and final regulations promulgated since January 1.

shown in Table 1. Separate budget baseline esti-

CBO's October 7 estimate of outlays includes enacted spending amounts from all 13 regular appropriation bills for fiscal year 1989. For nonappropriated spending accounts and revenues, the baseline estimates assume that current laws and regulations will continue unchanged, and that expiring provisions of law will terminate as scheduled. As required by the act, the budget baseline estimates include the receipts and outlays of the Social Security trust funds, even though they are legally off-budget.

The Reaffirmation Act specifies that asset sales and loan prepayments shall neither be included in the budget baseline estimates nor count toward any net deficit reduction. Loan prepayments excluded from the October 7 baseline--which raise outlays by \$5.2 billion--are identical to the amounts listed in CBO's initial sequestration report.

Table 1. CBO ESTIMATES OF BUDGET BASELINE TOTALS FOR FISCAL YEAR 1989 (In billions of dollars)

	Baseline			Differences		
Budget Aggregates	As of Jan. 1	As of Aug. 15	As of Oct. 7	Jan Aug.	Aug Oct.	Jan Oct.
Revenues	979.5	979.8	979.4	0.3	-0.4	a
Outlays	1,127.0	1,132.8	1,131.3	5.8	-1.5	4.3
Deficit	147.5	153.0	151.8	5.5	-1.2	4.4

a. Less than \$50 million.

^{1.} Federal Register, August 22, 1988, pp. 31970-32027.

^{2.} The Balanced Budget Act specifies that the final CBO and OMB sequestration reports be based on laws enacted and regulations promulgated by the latest possible date before they are issued. This report has used a snapshot date of October 7, 1988. The OMB report may use a later snapshot date and may reflect additional laws and regulations. For example, the President is expected to sign the Family Welfare Reform Act (H.R. 1720), which CBO estimates will reduce the 1989 deficit by \$0.4 billion.

Under these specifications, CBO's estimate as of October 7, 1988, of the budget baseline deficit for 1989 is \$151.8 billion. The estimated effect of laws enacted and final regulations promulgated since January 1, 1988, is shown in Table 1. The estimated net deficit change that has occurred since January 1 is an increase of \$4.4 billion. Table 2 details the changes in the estimated deficit since August 15.

REQUIRED OUTLAY REDUCTIONS

Sequestration of budgetary resources will be necessary for 1989 if the deficit estimated by OMB exceeds the \$136 billion target by more than the \$10 billion margin-of-error amount. Once sequestration is triggered, budget outlays must be reduced by the entire amount by which the deficit exceeds \$136 billion. The reduction is subject to a ceiling (for 1989 only) of \$36 billion, adjusted for the net deficit reduction, if any, since January 1. One-half of the required outlay reduction must be taken from defense programs (bud-

get accounts in the national defense function, 050, excluding the Federal Emergency Management Agency) and the other half from nondefense programs. CBO's deficit projection of \$151.8 billion would call for outlay reductions of \$15.8 billion in 1989. Table 3 shows how budget outlays in defense and nondefense programs would be cut back to achieve these reductions.

All savings from eliminating automatic spending increases in three programs—the National Wool Act, the special milk program, and vocational rehabilitation—are applied to the required reduction in outlays for nondefense programs. According to CBO estimates, this would produce \$48 million in outlay savings in 1989. The outlay savings to be obtained by applying five special rules are also credited to the required spending reductions in nondefense programs. These special rules are for guaranteed student loans, foster care and adoption assistance, Medicare, and certain health programs; a special rule applying to Food Stamps was contained in the recently enacted

Table 2.	CBO ESTIMATES OF DEFICIT CHANGES FOR FISCAL YEAR 1989:
	AUGUST 15 THROUGH OCTOBER 7, 1988 (In billions of dollars)

Budget Baseline Deficit as of August 15, 1988
Effect of New Laws and Regulations Enacted Legislation Revenues and direct spending
Omnibus Trade and Competitiveness Act (P.L. 100-418) 0.3 Hunger Prevention Act (P.L. 100-435) 0.2
U.SCanada Free Trade Agreement Implementation Act (P.L. 100-449)
Other 0.1
Subtotal, revenues and direct spending
Appropriations
HUD-Independent Agencies (P.L. 100-404)
Treasury-Postal Service (P.L. 100-440)
Interior (P.L. 100-446)0.2
Rural Development (P.L. 100-460)0.2
Foreign Operations (P.L. 100-461) -0.2
Defense (P.L. 100-463 and P.L. 100-447)
Other appropriations
Federal pay adjustment ^a 0.3
Subtotal, appropriations
Subtotal, Enacted Legislation
Medicare Regulation Revisions 0.1
Debt Service b
Total, New Laws and Regulations -1.2
Budget Baseline Deficit as of October 7, 1988

Reduction in offsetting receipts because of delay in pay raise.

b. Less than \$50 million.

Hunger Prevention Act of 1988 (Public Law 100-435). The special rules are described in a later section of this report. Outlay savings for these programs under the special rules would be \$1.7 billion.

The outlay reductions of \$7.9 billion in defense programs and the remaining reductions of \$6.2 billion in nondefense programs must be taken on a uniform percentage basis, computed separately for each category. The uniform reduction percentages are computed from outlay estimates. The required outlay savings to be achieved through across-the-board reductions are divided by the estimated outlays from sequestrable budgetary resources in each category. The resulting uniform reduction percentages are then applied to all of the sequestrable budgetary resources (budget authority, credit authority, and other spending authority) for defense and nondefense programs.

Table 3. CBO SEQUESTRATION CALCULA-TIONS FOR FISCAL YEAR 1989 (Outlays in millions of dollars)

	Defense Programs	Nondefense Programs
Total Required Outlay Reductions	7,922	7,922
Savings from Eliminating Automatic Spending Incre		48
Savings from the Application of Special Rul Guaranteed student los Foster care		26
and adoption assistar	ice 0	4
Medicare	0	1,461
Other health programs	. 0	186
Food Stamps	0	4
Remaining Reductions Required	7,922	6,193
Estimated Sequestration Outlay Base	115,032	115,559b
Uniform Reduction Percentage	6.9	5.4

Excludes \$74,753 million in estimated military personnel outlays that have been exempted from sequestration by the President.

According to CBO estimates, the 1989 outlays associated with sequestrable budgetary resources for defense programs are \$115.0 billion. This amount excludes \$75 billion in 1989 outlays for military personnel accounts that the President has chosen to exempt from sequestration, which he is permitted to do under the Reaffirmation Act. Outlays from obligated defense balances in 1989 are also excluded by law from the sequestrable outlay base. The uniform percentage to be applied to sequestrable defense budgetary resources is 6.9 percent, as shown in Table 3.

A number of nondefense programs are exempted by law from the sequestration process. The largest are Social Security benefits, net interest payments, certain low-income programs, most federal retirement and disability benefits, veterans compensation and pensions, and regular state unemployment insurance benefits. Outlays from appropriations for nondefense programs made in previous years are also not subject to sequestration. The 1989 outlays associated with sequestrable budgetary resources for nondefense programs subject to the uniform percentage reduction are estimated to be \$115.6 billion. The estimated uniform percentage to be applied to these remaining nondefense programs is 5.4 percent.

The calculations in this report generally assume that all nonexempt budgetary resources can be sequestered in order to produce outlay savings, including entitlement programs and other mandatory spending programs where the spending authority is not controlled through the annual appropriation process.

AUTOMATIC SPENDING INCREASES

The three programs with automatic spending in creases currently subject to sequestration by the Balanced Budget Act, as amended, are listed in Table 4. The scheduled percentage increases are shown as well as the amount of estimated outlay savings to be gained by eliminating these increases.

SPECIAL RULES

The Balanced Budget Act provides special rules for the sequestration of budgetary resources for certain federal programs. This section describes these special rules and their application to the 1989 sequestration calculations. The estimated outlay savings derived from the first five rules are shown separately in Table 3. Any outlay savings resulting from the remaining special rules are included in the amount to be obtained from the uniform percentage reductions.

b. Includes \$6,466 million in estimated 1990 outlays for the Commodity Credit Corporation that can be affected by a 1989 sequestration (see discussion of special rule for the CCC). Also includes an estimated \$2,492 million in outlays from the spending of offsetting collections.

Table 4. AUTOMATIC SPENDING INCREASES FOR FISCAL YEAR 1989 SUBJECT TO SEQUESTRATION

Program	Scheduled Increase (In percent)	Outlay Reduction (In millions of dollars)
National Wool Act	a	8 .
Special Milk Programs b	2.6	0.1
Vocational Rehabilitation	4.5	<u>47.8</u>
Total		47.9

- a. No 1989 payment increase is expected for this program, based on declining wool support price levels in marketing year 1988.
- Benefits are indexed to the producer price index for fresh processed milk.
- c. This program is indexed to the change in the Consumer Price Index (CPI-U) from October of the previous year.

Guaranteed Student Loan Program

The Balanced Budget Act requires two changes in the guaranteed student loan (GSL) program to occur automatically under sequestration. First, the statutory factor for calculating the quarterly special allowance payments to lenders will be reduced by the lesser of 0.40 percentage point or the amount by which the statutory factor exceeds 3 percent for the first four quarters after the loan is made. Under the current program, the reduction will be 0.25 percentage point. Second, a student's origination fee will increase by 0.50 percentage point. In both cases, sequestration affects only GSL loans disbursed during the applicable fiscal year, but after the order is issued. For 1989, these changes are estimated by CBO to reduce outlays by \$26 million.

Foster Care and Adoption Assistance Programs

The Balanced Budget Act limits the amount to be sequestered in the foster care and adoption assistance programs to increases in foster care maintenance payment rates or adoption assistance payment rates taking effect during the current fiscal year. Moreover, the amounts are limited to the extent that the reduction can be made by reducing federal matching payments by a uniform percentage across states. The increases in payment rates for these programs are made by the states and localities. Any increases planned by the states for fiscal year 1989 were included in the CBO calculations for seques-

tration reductions. The estimated outlay savings in 1989 from sequestration are \$4 million.

Medicare

The sequestration reductions in the Medicare program are to be achieved by reducing payment amounts for covered services. No changes in coinsurance or deductible amounts are to be made, and covered services are unaffected under a sequestration order. Under such an order, each payment amount for services provided during the fiscal year would be reduced by a maximum of 2 percent relative to whatever level of payment would otherwise be made under Medicare laws and regulations. According to CBO estimates, the outlay savings to be achieved in 1989 by applying this special rule are \$1,461 million.

Veterans Medical Care and Other Health Programs

The Balanced Budget Act limits reductions in budget authority for the nonadministrative expenditures for veterans medical care, community and migrant health centers, and Indian health services and facilities to 2 percent in 1989 and any subsequent year. The estimated outlay savings to be achieved in 1989 by applying this special rule to these programs are \$186 million.

Food Stamps

The Hunger Prevention Act of 1988 (Public Law 100-435) specifies that, if sequestration occurs in 1989, certain of the act's provisions are to be delayed until 1990. CBO estimates that this delay will reduce 1989 outlays by \$4 million. In addition, the Hunger Prevention Act provides that another \$110 million in Food Stamp outlays shall be subject to across-the-board reduction.

Child Support Enforcement Program

In the child support enforcement (CSE) program, the Balanced Budget Act specifies that sequestration of entitlement payments to states is to be accomplished by reducing the federal matching rates for state administrative expenses. For 1989, the federal matching rate on most expenditures under CBO estimates would be reduced from 68 percent to 63.4 percent, and the rate for computer-related expenditures would be reduced from 90 percent to 83.9 percent. These reductions in the matching rates are necessary to achieve the same 5.4 percent reduction applied to other nondefense programs.

If states increase their share of CSE spending to maintain total program spending at the expected 1989 level, this reduction in the federal matching rate will lower federal outlays by the same percentage as other nondefense programs. If states do not increase their 1989 budgeted amounts to compensate for lower matching rates, however, the lower federal matching rate would result in a larger percentage reduction in federal spending than the act requires. The estimated outlay savings that are to be achieved in 1989 by applying this special rule are \$62 million.

Unemployment Compensation Programs

The Balanced Budget Act specifies that the following items are not to be sequestered: regular state unemployment benefits, the state share of extended unemployment benefits, unemployment benefits paid to former federal employees and former members of the armed services, and loans and advances to the state and federal unemployment accounts. The federal share of extended benefits, unemployment insurance for railroad employees, other federally paid benefits, and state and federal administrative expenses are sequestrable.

Both the federal and state shares of extended unemployment benefits are paid from the Unemployment Trust Fund-the federal share from a federal account and the state share from each state's account. State law sets the amount of each weekly extended benefit. The Balanced Budget Act permits any state to reduce the weekly extended benefit amount by a percentage equal to the uniform reduction in the federal share. If states do not change their laws to provide for such a reduction, the weekly benefit payments will not be reduced, the state share will increase by the amount of the decrease in the federal share, and total budget outlays that include both federal and state benefits will not be changed by the sequestration. No states are currently paying extended benefits.

Commodity Credit Corporation

Under the Balanced Budget Act, payments and loan eligibility under any contract entered into by the Commodity Credit Corporation (CCC) after a sequestration order has been issued for a fiscal year are subject to a percentage reduction. The act requires that reductions for all farm commodities supported by the CCC be made in a uniform manner, including all noncontract programs, projects, and activities within the CCC's jurisdiction. The act further stipulates that outlay reductions in the post-sequestration year that are the result of contract adjustments in the sequestration year should be credited to the overall outlay reduction required in the sequestration year. The outlay savings to be achieved by applying this special rule are estimated by CBO to be \$0.5 billion in 1989,

and \$0.3 billion in 1990. The actual amount of savings realized in each year will depend upon how the sequestration is carried out for the various CCC programs. In accordance with the act, however, all \$0.8 billion of these estimated outlay savings are credited toward the \$7.9 billion reduction required for 1989 in nondefense spending.

Federal Pay

The Balanced Budget Act provides that rates of pay for civilian employees (and rates of basic pay, basic subsistence allowances, and basic quarter allowances for members of the uniformed services), or any scheduled pay increases, may not be reduced following a sequestration order. Budgetary resources available for federal pay, however, will be subject to sequestration as part of the reduction of administrative expenses, which include travel, printing, supplies, and other services. The total amount of governmentwide savings to be achieved in 1989 from employee compensation cannot be estimated because program managers are expected to be urged not to resort to personnel furloughs and reductions in force until other administrative expenses are reduced as much as possible.

SEQUESTRATION REDUCTIONS

A summary of CBO's calculations for the sequestration of budgetary resources and the estimated outlay savings for 1989 is provided for national defense programs in Table 5 and for nondefense programs by function in Table 6. The tables show CBO's budget baseline estimates for new budget authority and outlays, reductions in outlays caused by sequestration, and post-sequestration spending levels. In most instances, additional outlay savings would be gained in 1990 and later years as a result of the cancellation of 1989 budget authority. The 1990 savings have not been estimated for this report.

A detailed list of the sequestration base and reductions by agency and budget account by type of spending authority is provided as Appendix A of this report. In addition, a separate listing of the sequestration base and reductions for defense programs, projects, and activities is presented in Appendix B.

The CBO sequestration calculations and post-sequestration spending levels are advisory only. OMB will determine whether a sequestration is triggered, and, if so, the actual sequestration amounts. OMB's final sequestration report will be issued on October 15.

TABLE 5. DEFENSE PROGRAM SEQUESTRATIONS FOR FISCAL YEAR 1989 (In billions of dollars)

Budget Function 050	October Budget Baseline	CBO Estimated Seques- tration ^b	Post- Seques- tration
Department of DefenseMilitary			
Military personnel			
Budget authority	78.3	c	78.3
Outlays	78.2	c	78.2
Operation and maintenance	V		
Budget authority	85.2	5.9	79.4
Outlays	85.7	4.7	81.1
Procurement			
Budget authority	79.9	5.5	74.4
Outlays	81.0	1.1	79.9
Research, development, test,			
and evaluation			
Budget authority	37.6	2.6	35.0
Outlays	35.5	1.5	34.0
Military construction and other			
Budget authority	9.0	0.7	8.3
Outlays	9.2	0.3	8.9
Subtotal, DoDMilitary			
Budget authority	290.2	14.7	275.5
Outlays	289.6	7.6	282.0
Atomic Energy Defense Activities			
Budget authority	8.1	0.6	7.5
Outlays	7.9	0.4	7.6
Other Defense-related Activities d			
Budget authority	0.9	e	0.9
Outlays	0.6	e	0.6
Total			
Budget authority	299.2	15.3	283.9
Outlays	298.1	7.9	290.2

a. Does not include an estimated \$39.9 billion in unobligated balances subject to sequestration.

b. Does not include \$2.8 billion in unobligated balances that would be sequestered.

c. The President has exempted the military personnel accounts from sequestration in 1989.

d. Includes the function 050 portion of Federal Emergency Management Agency budget accounts, which are reduced at the same rate as nondefense programs.

e. \$50 million or less.

TABLE 6. NONDEFENSE PROGRAM SEQUESTRATIONS FOR FISCAL YEAR 1989 BY FUNCTION (In billions of dollars)

.50	International Affairs Budget authority			
50		16.3	1.0	15.3
250	Outlays	16.3	0.5	15.7
	General Science, Space, and Technology		0.77	100
	Budget authority	12.7	0.7 0.4	12.0 11.7
270	Outlays Energy	12.1	0.4	11.7
	Budget authority	5.1	0.4	4.7
	Outlavs	4.6	0.2	4.4
00	Natural Resources and Environment			
	Budget authority	16.6	1.1	15.6
	Outlays	16.6	0.6	16.0
150	Agriculture	00.0	0.77	00.5
	Budget authority	23.2	0.7 *	22.5
70	Outlays Commerce and Housing Credit	20.2	0.7 •	19.4
, 10	Budget authority	16.4	0.2	16.3
	Outlays	13.8	0.2	13.5
100	Transportation	10.0	4.2	13.0
	Budget authority	29.0	1.5	27.5
	Outlays	28.2	0.5	27.7
150	Community and Regional Development			~ .
	Budget Authority	6.7	0.3	6.4
00	Outlays Education Training Employment and Social Services	6.2	0.1	6.1
000	Education, Training, Employment, and Social Services Budget authority	37.4	1.7	35.8
	Outlays	36.5	0.7	35.9
550	Health	00.0		00.5
	Budget authority	50.8	0.8	50.0
	Outlays	49.4	0.4	49.0
570	Medicare			
	Budget authority	106.2	0	106.2
	Outlays	86.7	1.6	85.1
500	Income Security Budget authority	177.3	0.8	176.5
	Outlays	137.3	0.6	136.9
650	Social Security	107.0	0.4	130.5
	Budget authority	285.0	0	285.0
	Outlays	233.3	0.1	233.2
70 0	Veterans Benefits and Services		-	
	Budget authority	29.2	0.4	28.8
	Outlays	28.8	0.3	28.5
750	Administration of Justice	0.7	0.5	0.0
	Budget authority	8.7 8.6	0.5 0.4	8.2 8.2
300	Outlays General Government	0.0	U. 4	8.2
000	Budget authority	9.6	0.5	9.1
	Outlays	9.2	0.5	8.7
000	Net Interest		2.0	•
	Budget authority	163.2	0.7 b	162.6
	Outlays	163.2	0.7 b	162.6
) 50	Undistributed Offsetting Receipts	4- 4		
	Budget authority Outlays	37.9 37.9	0	37.9 37.9
	Total		-	2
	Budget authority	955.8	11.1	944.6
	Outlays	833.1	8.3	824.8

a. Excludes \$0.3 billion in estimated 1990 outlay savings for programs of the Commodity Credit Corporation that are credited toward the 1989 sequestration (see discussion of special rule for the CCC).

b. The \$0.7 billion savings in debt service costs are a result of 1989 outlay reductions through sequestration.

APPENDIX A SEQUESTRATION REDUCTIONS BY AGENCY AND BUDGET ACCOUNT (Fiscal year 1989, in thousands of dollars)

Percentages used:

Defense

6.9 percent

Nondefense

5.4 percent

AGENCY, BUREAU AND ACCOUNT TITLE Legislative Branch	BASE	SEQUESTER
Senate		
Mileage of the Vice President a		_
00 0101 0 1 801 Budget Author		3
Outlays	48	3
Expense allowances of the Vice	President, President Pro Tempore, Majorit	
00 0107 0 1 801 Budget Author		3
Outlays	56	3
Representation allowances for	the Majority and Minority Leaders	_
00 0108 0 1 801 Budget Autho		1
Outlays	20	1
Salaries, officers and employed	PS	
00 0110 0 1 801 Budget Author	ority 49,255	2,660
Outlays	46,300	2,500
Miscellaneous items		334
00 0123 0 1 801 Budget Auth		334 334
Outlays	6,180	337
Secretary of the Senate		39
00 0126 0 1 801 Budget Author		36
Outlays	675	20
Sergeant at Arms and Doorkeepe		7 779
00 0127 0 1 801 Budget Auth		3,739 3,365
Outlays	62,319	3,369
Inquiries and investigations		3,384
00 0128 0 1 801 Budget Auth		
Outlays	59,539	3,215
	te Caucus on International Narcotics Contr	
00 0129 0 1 801 Budget Auth		18 16
Outlays	293	16
Senators' official personnel a		8,158
00 0130 0 1 801 Budget Auth	ority 151,065 145,928	7,880
Outlays	145,720	7,000
Stationery (revolving fund) 00 0140 0 1 801 Budget Auth	ority 13	1
	ority 13	i
Outlays		•
Office of Senate Legal Counsel		35
00 0171 0 1 801 Budget Auth	671 ty 646 485	26
Outlays		
00 0172 0 1 801 Budget Auth	etary of the Senate, Sergeant at Arms, and ority 12	' 1
Outlays	7	ō
Senate policy committees	·	J
00 0182 0 1 801 Budget Auth	ority 2,203	119
Outlays	1,873	101
Office of the Legislative Coun		
00 0185 0 1 801 Budget Auth		97
Outlays	1,709	92
House of Representatives		~
Mileage of Members		
00 0208 0 1 801 Budget Auth	ority 210	11
Outlays	105	6
Salaries and expenses		
00 0400 0 1 801 Budget Auth	ority 505,500	27,297
Outlays	476,181	25,714
Congressional use of foreign c	currency, House of Representatives	
00 0488 0 1 801 401(C) Auth	ority 3,360	181
Outlays	3,360	181
Joint Items		
Capitol Guide Service		
00 0170 0 1 801 Budget Auth	ority 1,220	66
Outlays	1,098	59
Joint Committee on Printing		
00 0180 0 1 801 Budget Auth	ority 1,143	62
Outlays	1,061	57
Joint Economic Committee		
00 0181 0 1 801 Budget Auth	ority 3,330	180
Outlays	3,163	171
Joint Committee on Inaugural C		
00 0186 0 1 801 Budget Auth	ority 775	42
Outlays	775	42
Office of the Attending Physic	ian	
00 0425 0 1 801 Budget Auth		76
Outlays	567	31
Joint Committee on Taxation		
00 0460 0 1 801 Budget Auth	nority 4,346	235
Outlays	4,129	223
-		

AGENCY, BUREAU AND ACC		BASE	SEQUESTER
Capitol Police Bos 00 0474 0 1 801	Budget Authority	52,922	2,858
General expenses,	Outlays Capitol police	51,232	2,767
00 0476 0 1 801	Budget Authority Outlays	1,887 1,602	102 87
Statements of appr 00 0499 0 1 801	ropriations		
Official mail cost		20	1
00 0825 0 1 801	Budget Authority Outlays	53,926 53,926	2,912 2,912
John C. Stennis T: 04 8888 0 1 801	rust Fund Budget Authority	7,500	405
Congressional Budge	Outlays	7,500	405
Salaries and exper	1565		
08 0100 0 1 801	Budget Authority Outlays	18,361 16,525	991 8 92
Architect of the Cap	pitol pitect of the Capitol: Salaries		
01 0100 0 1 801	Budget Authority	6,532	353
Contingent expense	Outlays es	5,951	321
01 0102 0 1 801	Budget Authority Outlays	100 100	5 5
Capitol buildings 01 0105 0 1 801	•		835
	Budget Authority Outlays	15,471 12,454	673
Capitol grounds 01 0108 0 1 801	Budget Authority	3,771	204
Senate office buil	Outlays Idings	3,138	169
01 0123 0 1 801	Budget Authority Outlays	24,086	1,301 957
House office build	dings	17,727	
01 0127 0 1 801	Budget Authority Outlays	28,895 20,544	1,560 1,109
Capitol Power Plan 01 0133 0 1 801	nt Budget Authority	24,785	1,338
	401(C) Authority - Off. Coll. Outlays	135 21,450	7 1,158
Structural and med	chanical care, Library buildings	and grounds	
01 0155 0 1 801	Budget Authority Outlays	7,500 6,030	405 326
Library of Congress Salaries and exper	rses		
03 0101 0 1 503	Budget Authority	148,042	7,994
	401(C) Authority - Off. Coll. Outlays	4,828 125,353	261 6,769
Copyright Office: 03 0102 0 1 376	Salaries and expenses Budget Authority	11,663	630
03 0202 0 2 3.0	401(C) Authority - Off. Coll.	6,992	378
Congressional Res	Outlays earch Service: Salaries and expe	17,663	954
03 0127 0 1 801	Budget Authority	44,684	2,413
	Outlays	40,395	2,181
	nd and physically handicapped: S		
03 0141 0 1 503	Budget Authority Outlays	36,474 18,237	1,970 985
Furniture and furn 03 0146 0 1 503	Budget Authority	3,381	183
Gift and trust fur	Outlays nd accounts	1,913	103
03 9971 0 7 503	401(C) Other - incl. ob. limit Outlays	288 288	16 16
Government Printing	Office		
04 0201 0 1 808	tendent of Documents: Salaries a Budget Authority		74.3
	Outlays	13,731 8,527	741 460
Congressional primo 04 0203 0 1 801	nting and binding Budget Authority	72,000	3,888
	Outlays	57,600	3,008 3,110
Government Printin	ng Office revolving fund		
04 4505 0 4 808	401(C) Authority - Off. Coll. Outlays	29,000 29,000	1,566 1,566

AGENCY, BUREAU AND ACC	COUNT TITLE	BASE	SEQUESTER
General Accounting (
Salaries and exper			
05 0107 0 1 801	Budget Authority	347,339	18,756
	Outlays	319,552	17,256
United States Tax Co			
Salaries and expen			
23 0100 0 1 752	Budget Authority	29,345	1,585
25 0200 0 2 132	Outlays	23,476	1,268
Tay nounts indone	ndent counsel, U.S. Tax Court	23,470	.,
23 5023 D 2 752	401(C) Authority	100	5
23 5023 0 2 752		=	5
	Outlays	100	2
Other Legislative B			
	urity and Cooperation in Europe		
09 0110 0 1 801	Budget Authority	741	40
	Outlays	666	36
Botanic Garden: Si	elaries and expenses		
09 0200 0 1 801	Budget Authority	2,521	136
	Outlays	2,269	123
Copyright Royalty	Tribunal: Salaries and expense	8 .	
09 0310 0 1 376	Budget Authority	123	7
0, 0000 0 0 2,0	Outlays	109	6
International con-	ferences and contingencies: Ho		
09 0500 0 1 801	401(C) Authority	290	16
07 0300 0 1 001	Outlays	290	16
0441			••
	ogy Assessment: Salaries and ex	17.937	969
09 0700 0 1 801	Budget Authority		
	Outlays	13,453	726
TOTAL FOR Legislative	Branch		
	Budget Authority	1,835,952	99,143
	401(C) Authority	3,750	202
	401(C) Authority - Off. Coll.	40,955	2,212
	401(C) Other - incl. ob. limi	t 288	16
	Outlays	1,692,954	91,418
The Judiciary	•		
Supreme Court of the	e United States		
Salaries and expe			
10 0100 0 1 752	Budget Authority	14,783	798
10 0100 0 1 750	Outlays	11,605	627
Care of the build		11,003	
10 0103 0 1 752		2,131	115
10 0103 0 1 752	Budget Authority	1,960	106
	Outlays		100
	of Appeals for the Federal Cir	cuit	
Salaries and expe		2 413	***
10 0510 0 1 752	Budget Authority	7,011	379
	Outlays	6,317	341
	of International Trade		
Salaries and expe	nses		
10 0400 0 1 752	Budget Authority	7,089	383
	Outlays	6,735	364
Courts of Appeals.	District Courts, and other Judi	cial Services	
Salaries and expe			
10 0920 0 1 752	Budget Authority	1,029,571	55,597
	Outlays	951,324	51,371
Defender services			-
10 0923 0 1 752	Budget Authority	95,100	5,135
10 0723 0 1 752	Outlays	57,060	3,081
w		27,000	3,001
Fees of jurors an	d commissioners	47 176	2,329
10 0925 0 1 752	Budget Authority	43,135	
	Outlays	40,116	2,166
Court security			
10 0930 0 1 752	Budget Authority	41,423	2,237
	Outlays	29,618	1,599
Administrative Offi	ce of the United States Courts		
Salaries and expe	nses		
10 0927 0 1 752	Budget Authority	33,600	1,814
-	Outlays	29,803	1,609
Federal Judicial Ce			·
Salaries and expe			
10 0928 0 1 752	Budget Authority	11,200	605
10 U720 U 1 /32	Outlays	8,926	482
TOTAL FOR The head of		0,740	304
TOTAL FOR The Judicia		3 AAF A4*	4 A 4 A A
	Budget Authority	1,285,043	69,392
	Outlays	1,143,464	61,746
		•	

AGENCY, BUREAU AND AC	COUNT TITLE	BASE	SEQUESTER
Executive Office of t			32,323,21
The White House Off			
Salaries and expe			3 500
11 0110 0 1 802	Budget Authority Outlavs	27,950 25,155	1,509 1,358
Executive Residence	at the White House	65,155	1,550
Operating expense	16		
11 0210 0 1 802	Budget Authority	5,698	308
	401(C) Authority - Off. Coll. Outlays	729 6,142	39 331
Official Residence	of the Vice President	6,142	331
Operating expense			
11 0211 0 1 802	Budget Authority	258	14
Special Assistance	Outlays	227	12
Salaries and expe			
11 1454 0 1 802	Budget Authority	2,199	119
	Outlays	1,935	104
Council of Economic			
Salaries and expe 11 1900 0 1 802	nses Budget Authority	2,787	150
11 1/00 0 1 001	Outlays	2,425	131
	ental Quality and Office of Envi		
	nmental Quality and Office of En		**
11 1453 0 1 802	Budget Authority Outlays	850 808	46 44
Office of Policy De		000	44
Salaries and expe	nses		
11 2200 0 1 802	Budget Authority	3,000	162
National Security C	Outlays	2,610	141
Salaries and expe			
11 2000 0 1 802	Budget Authority	5,100	275
	Outlays	4,080	220
National Critical M Salaries and expe			
11 0111 0 1 802	mses Budget Authority	225	12
	Outlays	205	ii
Office of Administr			
Salaries and expe		3/ 050	
11 0038 0 1 802	Budget Authority Outlays	16,850 12,132	910 655
Office of Managemen		22,132	033
Office of Federal	Procurement Policy: Salaries an	d expenses	
11 0201 0 1 802	Budget Authority	2,353	127
Salaries and expe	Outlays	2,120	114
11 0300 0 1 802	Budget Authority	39,640	2,141
	Outlays	35,239	1,903
	and Technology Policy		
Salaries and expe 11 2600 0 1 802		3 507	0.4
11 2000 0 1 802	Budget Authority Outlays	1,587 952	86 51
Office of the Unite	d States Trade Representative	752	
Salaries and expe			
11 0400 0 1 802	Budget Authority	15,229	822
TOTAL FOR Executive O	Outlays Office of the President	12,945	699
· · · · · · · · · · · · · · · · · · ·	Budget Authority	123,726	6,681
	401(C) Authority - Off. Coll.	729	39
P	Outlays	106,975	5,774
Funds Appropriated to Unanticipated Needs			
Unanticipated nee			
11 0037 0 1 802	Budget Authority	1,000	54
	Outlays	962	52
Expenses of Managem	ent Improvement		
Expenses of manag 11 0061 0 1 802	pement improvement Budget Authority	3 000	e .
4 1 00%	Outlays	1,000 576	54 31
International Secur	ity Assistance	374	7.
Peacekeeping oper	rations		
11 1032 0 1 152	Budget Authority	31,689	1,711
	Outlays	21,865	1,181